

Community Development Commission

April 10, 2007

TO: Each Supervisor

FROM: Carlos Jackson, Executive Director

SUBJECT: **SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS;  
TRANSFER OF CITY OF INDUSTRY FUNDS**

As you may know, the San Gabriel Valley Council of Governments (SGVCOG) has established an "Ad Hoc Trust Fund Committee" to develop strategies for addressing the Valley's future housing needs. We have been informed that the Committee has identified the City of Industry tax increment low- and moderate-income housing set-aside funds as a potential source of revenue to be transferred into the SGVCOG Trust Fund.

Existing State law gives the Housing Authority of the County of Los Angeles (HACoLA) authority over the allocation and approval of the City of Industry's housing set-aside funds. State law also provides that Industry-assisted housing must be located in an area "located within 15 miles of the nearest boundary of the City of Industry." If funds were restricted to SGVCOG cities, then 27 cities and the County unincorporated area (including East Los Angeles) would no longer be able to receive Industry funds. Moreover, thirty-one percent (31%) of all Industry funds committed to date have been for projects located in the San Gabriel Valley.

Your board has opposed numerous attempts by the City of Industry to regain control over these funds. The most recent attempt was in 2005 with the introduction of AB 1491 by Assembly member Ron Calderon. Other legislative attempts included proposed language in the 2004 State Budget Trailer Bill, AB 2264, that was introduced in 2004 by Assembly member Ed Chavez, and AB 618 that was introduced by Tom Calderon in 2001. To date, all attempts to regain control over the tax increment housing set-aside funds have failed.

Our recommendation is that your Board continues to support your existing legislative agenda that opposes State legislation that would jeopardize the transfer of the City of Industry housing set-aside funds to HACoLA. Consistent with this policy, we further recommend that your Board deny a request, should one be brought before your Board, to transfer any portion of the Industry set-aside fund to the SGVCOG.



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The next meeting of the SGVCOG Housing Trust Fund Committee is Wednesday, April 11, 2007. We will closely monitor and apprise your Board of any events that would jeopardize the transfer of these funds to HACoLA. Should you have any questions or wish to discuss this issue further, please contact me or Bill Huang, Director of Housing Development and Preservation at (323) 890-7230.

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c: Each Deputy  
Ed Berends, Legislative Representative  
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